

III. Answer to Factual Background

3. Defendants admit as to executing a P-5 application and delivering the P-5 to Surety as consideration for the issuance of surety bonds as alleged in Paragraph 10 of the Complaint.

4. Defendants admit that Surety issued a renewal of a Blanket Performance Bond for the amount of \$250,000.00 for the benefit of Defendants as alleged in Paragraph 11 of the Complaint.

5. Defendants admit the allegations made in Paragraph 12 of the Complaint regarding Surety's payment of \$250,000.00 to the Texas Railroad Commission.

6. Paragraph 13 contains statements of occurrences to which Defendants have no knowledge, and as such, Defendants do not have enough information to admit or deny, and therefore deny this paragraph.

7. Defendants admit that the 2020 P-5 Application contains the provision quoted in Paragraph 14 of the Complaint.

8. Defendants admit that Surety made the demand alleged in Paragraph 15 of the Complaint and did not indemnify Surety as also alleged in Paragraph 15 of the Complaint. Defendants deny that they were required to indemnify Surety.

9. Defendants admit that Surety has brought this lawsuit against it as alleged in Paragraph 16 of the Complaint.

IV. Answer to Causes of Action

10. Defendants admit that they had the obligations alleged in Paragraph 18 of the Complaint. Defendants deny that they failed to meet such obligations.

11. Paragraph 19 of the Complaint contains statements of occurrences to which Defendants have no knowledge, and as such, Defendants do not have enough information to admit or deny, and therefore deny this paragraph.

12. Paragraph 21 of the Complaint contains statements of occurrences to which Defendants have no knowledge, and as such, Defendants do not have enough information to admit or deny, and therefore deny this paragraph.

13. Paragraph 22 of the Complaint contains statements of occurrences to which Defendants have no knowledge, and as such, Defendants do not have enough information to admit or deny, including whether attorney's fees incurred were reasonable, and therefore deny this paragraph.

14. Defendants deny that Plaintiff is entitled to recover from Defendants, jointly and severally, the costs of court and interest alleged in Paragraph 24 of the Complaint.

15. Defendants deny that all conditions precedent have occurred or have been satisfied, waived, or excused as alleged in Paragraph 25 of the Complaint.

16. Defendants deny that Plaintiff is entitled to the relief it has requested.

Respectfully submitted,

McELROY, SULLIVAN, MILLER & WEBER, L.L.P.

/s/ Eno E. Peters

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ATTORNEYS FOR DEFENDANTS

CERTIFICATE OF SERVICE

I hereby certify that on this **28th day of September, 2022**, a true and correct copy of the foregoing pleading was served on the following parties via email and the Court's CM/ECF notification system.

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